

AMENDED IN ASSEMBLY AUGUST 22, 2014

AMENDED IN ASSEMBLY JUNE 24, 2014

AMENDED IN SENATE MARCH 25, 2014

SENATE BILL

No. 1382

Introduced by Senator Block

February 21, 2014

An act to amend Section 1569.185 of the Health and Safety Code, relating to care facilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1382, as amended, Block. Residential care facilities for the elderly.

Existing law provides for the licensure and regulation of residential care facilities for the elderly by the State Department of Social Services. A violation of these provisions is a misdemeanor. Existing law sets forth the annual licensure fees to operate a residential care facility for the elderly and various other fees charged by the department. Existing law requires the department to deposit the fees collected into the Technical Assistance Fund to be used by the department, upon appropriation by the Legislature, to ensure the health and safety of individuals provided care and supervision by licensees and to support activities of the licensing program.

This bill would increase the annual licensure fees ~~by 20%~~ and would make related findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) The quality of services provided to residents of a residential care facility for the elderly is dependent on the State Department of Social Services' ability to continue and enhance its licensing, regulatory, and disciplinary functions.

(b) After years of budgetary cutbacks, it is now imperative that the department be revitalized and given adequate resources to support its mandate to provide consumer protection.

(c) Failure to increase the fee amount by 20 percent will result in continued lack of supervision and regulatory discipline, which will undermine the care and services for residents.

SEC. 2. ~~Section 1569.185 of the Health and Safety Code is amended to read:~~

~~1569.185. (a) An application fee adjusted by facility and capacity shall be charged by the department for the issuance of a license to operate a residential care facility for the elderly. After initial licensure, a fee shall be charged by the department annually on each anniversary of the effective date of the license.~~

The fees are for the purpose of financing activities specified in this chapter. Fees shall be assessed as follows:

	Fee Schedule	
	Initial	
Capacity	Application	Annual
1-3	\$495.60	\$495.60
4-6	\$990.00	\$495.60
7-15	\$1,486.80	\$742.80
16-30	\$1,980.00	\$990.00
31-49	\$2,476.80	\$1,238.40
50-74	\$2,972.40	\$1,448.00
75-100	\$3,469.20	\$1,734.00

1			
2	101-150	— \$3,964.80 —	— \$1,982.40 —
3			
4	151-200	— \$4,622.40 —	— \$2,311.20 —
5			
6	201-250	— \$5,280.00 —	— \$2,640.00 —
7			
8	251-300	— \$5,940.00 —	— \$2,970.00 —
9			
10	301-350	— \$6,600.00 —	— \$3,300.00 —
11			
12	351-400	— \$7,260.00 —	— \$3,630.00 —
13			
14	401-500	— \$8,580.00 —	— \$4,290.00 —
15			
16	501-600	— \$9,900.00 —	— \$4,950.00 —
17			
18	601-700	— \$11,220.00 —	— \$5,610.00 —
19			
20	701+	— \$13,200.00 —	— \$6,600.00 —
21			

~~(b) (1) In addition to fees set forth in subdivision (a), the department shall charge all of the following fees:~~

~~(A) A fee that represents 50 percent of an established application fee when an existing licensee moves the facility to a new physical address.~~

~~(B) A fee that represents 50 percent of the established application fee when a corporate licensee changes who has the authority to select a majority of the board of directors.~~

~~(C) A fee of twenty-five dollars (\$25) when an existing licensee seeks to either increase or decrease the licensed capacity of the facility.~~

~~(D) An orientation fee of fifty dollars (\$50) for attendance by an individual at a department-sponsored orientation session.~~

~~(E) A probation monitoring fee equal to the annual fee, in addition to the annual fee for that category and capacity for each year a license has been placed on probation as a result of a stipulation or decision and order pursuant to the administrative adjudication procedures of the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) and Chapter 5~~

1 ~~(commencing with Section 11500) of Part 1 of Division 3 of Title~~
2 ~~2 of the Government Code).~~

3 ~~(F) A late fee that represents an additional 50 percent of the~~
4 ~~established annual fee when a licensee fails to pay the annual~~
5 ~~licensing fee on or before the due date as indicated by postmark~~
6 ~~on the payment.~~

7 ~~(G) A fee to cover any costs incurred by the department for~~
8 ~~processing payments including, but not limited to, bounced check~~
9 ~~charges, charges for credit and debit transactions, and postage due~~
10 ~~charges.~~

11 ~~(H) A plan of correction fee of two hundred dollars (\$200) when~~
12 ~~a licensee does not implement a plan of correction on or prior to~~
13 ~~the date specified in the plan.~~

14 ~~(2) A local jurisdiction shall not impose a business license, fee,~~
15 ~~or tax for the privilege of operating a facility licensed under this~~
16 ~~chapter that serves six or fewer persons.~~

17 ~~(e) (1) The revenues collected from licensing fees pursuant to~~
18 ~~this section shall be utilized by the department for the purpose of~~
19 ~~ensuring the health and safety of all individuals provided care or~~
20 ~~supervision by licensees and to support the activities of the~~
21 ~~licensing programs, including, but not limited to, the regular~~
22 ~~inspection of facilities for compliance with licensing laws and~~
23 ~~regulations pursuant to Section 1569.33, and other administrative~~
24 ~~activities in support of the licensing program, when appropriated~~
25 ~~for these purposes. The revenues collected shall be used in addition~~
26 ~~to any other funds appropriated in the annual Budget Act in support~~
27 ~~of the licensing program.~~

28 ~~(2) The department shall not utilize any portion of these revenues~~
29 ~~sooner than 30 days after notification in writing of the purpose~~
30 ~~and use, as approved by the Department of Finance, to the~~
31 ~~Chairperson of the Joint Legislative Budget Committee, and the~~
32 ~~chairpersons of the committee in each house that considers~~
33 ~~appropriations for each fiscal year. The department shall submit~~
34 ~~a budget change proposal to justify any positions or any other~~
35 ~~related support costs on an ongoing basis.~~

36 ~~(d) A residential care facility for the elderly may use a bona~~
37 ~~fide business check to pay the license fee required under this~~
38 ~~section.~~

(e) ~~The failure of an applicant for licensure or a licensee to pay all applicable and accrued fees and civil penalties shall constitute grounds for denial or forfeiture of a license.~~

SEC. 2. *Section 1569.185 of the Health and Safety Code is amended to read:*

1569.185. (a) (1) An application fee adjusted by facility and capacity shall be charged by the department for the issuance of a license to operate a residential care facility for the elderly. After initial licensure, a fee shall be charged by the department annually on each anniversary of the effective date of the license.

The fees are for the purpose of financing activities specified in this chapter. Fees shall be assessed as follows, subject to paragraph (2):

	Fee Schedule	
	Initial	
Capacity	Application	Annual
1-3	_____	_____
	_____ \$454	_____ \$454
4-6	_____	_____
	_____ \$908	_____ \$454
7-15	_____	_____
	_____ \$1,363	_____ \$681
16-30	_____	_____
	_____ \$1,815	_____ \$908
31-49	_____	_____
	_____ \$2,270	_____ \$1,135
50-74	_____	_____
	_____ \$2,725	_____ \$1,363
75-100	_____	_____
	_____ \$3,180	_____ \$1,590
101-150	_____	_____
	_____ \$3,634	_____ \$1,817
151-200	_____	_____
	_____ \$4,237	_____ \$2,119
201-250	_____	_____
	_____ \$4,840	_____ \$2,420
251-300	_____	_____
	_____ \$5,445	_____ \$2,723
301-350	_____	_____

1		— — \$6,050	— — \$3,025
2	351-400	— —	— —
3		— — \$6,655	— — \$3,328
4	401-500	— —	— —
5		— — \$7,865	— — \$3,933
6	501-600	— —	— —
7		— — \$9,075	— — \$4,538
8	601-700	— —	— —
9		— — \$10,285	— — \$5,143
10	701+	— —	— —
11		— — \$12,100	— — \$6,050

Fee Schedule

14		<i>Initial</i>	
15	<i>Capacity</i>	<i>Application</i>	<i>Annual</i>
16	1-3	\$495.60	\$495.60
17			
18	4-6	\$990.00	\$495.60
19			
20	7-15	\$1,486.80	\$742.80
21			
22	16-30	\$1,980.00	\$990.00
23			
24	31-49	\$2,476.80	\$1,238.40
25			
26	50-74	\$2,972.40	\$1,448.00
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28	75-100	\$3,469.20	\$1,734.00
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5			
6	601–700	\$11,220.00	\$5,610.00
7			
8	701+	\$13,200.00	\$6,600.00
9			

(2) (A) The Legislature finds that all revenues generated by fees for licenses computed under this section and used for the purposes for which they were imposed are not subject to Article XIII B of the California Constitution.

(B) The department, at least every five years, shall analyze initial application fees and annual fees issued by it to ensure the appropriate fee amounts are charged. The department shall recommend to the Legislature that fees established by the Legislature be adjusted as necessary to ensure that the amounts are appropriate.

(b) (1) In addition to fees set forth in subdivision (a), the department shall charge *all of* the following fees:

(A) A fee that represents 50 percent of an established application fee when an existing licensee moves the facility to a new physical address.

(B) A fee that represents 50 percent of the established application fee when a corporate licensee changes who has the authority to select a majority of the board of directors.

(C) A fee of twenty-five dollars (\$25) when an existing licensee seeks to either increase or decrease the licensed capacity of the facility.

(D) An orientation fee of fifty dollars (\$50) for attendance by ~~any~~ *an* individual at a department-sponsored orientation session.

(E) A probation monitoring fee equal to the current annual fee, in addition to the current annual fee for that category and capacity for each year a license has been placed on probation as a result of a stipulation or decision and order pursuant to the administrative adjudication procedures of the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).

1 (F) A late fee that represents an additional 50 percent of the
2 established current annual fee when ~~any~~ a licensee fails to pay the
3 current annual licensing fee on or before the due date as indicated
4 by postmark on the payment.

5 (G) A fee to cover any costs incurred by the department for
6 processing payments including, but not limited to, bounced check
7 charges, charges for credit and debit transactions, and postage due
8 charges.

9 (H) A plan of correction fee of two hundred dollars (\$200) when
10 ~~any~~ a licensee does not implement a plan of correction on or prior
11 to the date specified in the plan.

12 (2) ~~No~~ A local jurisdiction shall *not* impose ~~any~~ a business
13 license, fee, or tax for the privilege of operating a facility licensed
14 under this chapter ~~which~~ that serves six or fewer persons.

15 (c) (1) The revenues collected from licensing fees pursuant to
16 this section shall be utilized by the department for the purpose of
17 ensuring the health and safety of all individuals provided care or
18 supervision by licensees and to support the activities of the
19 licensing programs, including, but not limited to, monitoring
20 facilities for compliance with licensing laws and regulations
21 pursuant to this chapter, and other administrative activities in
22 support of the licensing program, when appropriated for these
23 purposes. The revenues collected shall be used in addition to any
24 other funds appropriated in the annual Budget Act in support of
25 the licensing program. The department shall adjust the fees
26 collected pursuant to this section to ensure that they do not exceed
27 the costs described in this paragraph.

28 (2) The department shall not utilize any portion of these revenues
29 sooner than 30 days after notification in writing of the purpose
30 and use, as approved by the Department of Finance, to the
31 Chairperson of the Joint Legislative Budget Committee, and the
32 chairpersons of the committee in each house that considers
33 appropriations for each fiscal year. The department shall submit
34 a budget change proposal to justify any positions or any other
35 related support costs on an ongoing basis.

36 (d) A residential care facility for the elderly may use a bona
37 fide business check to pay the license fee required under this
38 section.

- 1 (e) The failure of an applicant for licensure or a licensee to pay
- 2 all applicable and accrued fees and civil penalties shall constitute
- 3 grounds for denial or forfeiture of a license.

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